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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 04/09/09

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- (1) Next DPJ head rumored to be Yukio Hatoyama, after Ichiro Ozawa

suddenly resigns in late April

NIKKAN GENDAI (Page 2) (Slightly abridged)
April 9, 2009

At a press conference yesterday commemorating his three years in office, Democratic Party of Japan (DPJ) President Ichiro Ozawa, who has continued in his post despite his public secretary having been indicted, repeated his intention to stay on, saying, "I am dedicated to our party grabbing the reins of government." However, the prearranged plan calls for him to resign his position at some point, choosing the best timing. Until now, it had seemed that he would turn his post over to Katsuya Okada, just prior to the general election, but that has changed, and it now looks like Secretary General Yukio Hatoyama will become Ozawa's favorite choice.

A source familiar with the situation stated: "At the earliest, even prior to Golden Week (holidays that start at the end of April), it seems likely that President Ozawa will resign. Prime Minister Aso will present the supplementary budget bill before the consecutive holidays, and it has been rumored that there is a possibility of his making the decision to dissolve the Lower House in May. If Ozawa were to resign after the Diet is dissolved, it would create the image that he has fled the scene. So, it appears that he will suddenly decide to resign at the end of April."

An aide to Ozawa said that the idea has now emerged of making Secretary General Hatoyama the next party head. "If Okada became the president, it would be said that generational change was the decisive factor, and veterans like Hatoyama and Kan would lose their

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turn. If Katsuya Okada, who has distanced himself from Ichiro Ozawa, is appointed the next president, it would be as if an image of the downfall of Ozawa is being projected. For that reason, veterans in the party and aides to Ozawa have started to indicate their reluctance to having Okada as party president. On that point, there are no objections from anyone if Hatoyama became president. Shizuka Kamei of the Peoples New Party on April 6 threw his support to Yukio Hatoyama, according to a DPJ source, who indicated that this seemed to uplift the mood in the party.

If Hatoyama were to declare his candidacy in the presidential race, Okada would not likely challenge him. The real problem would be that the Ozawa group and the Hatoyama group would overwhelm the party with their numbers.

A DPJ source said:

"The reason for Hatoyama having disguised his longing to be party president has to do with the general election. No matter what one says about him, Ichiro Ozawa remains the most well informed about running elections. Going into the election, the party has no choice but to rely on Ozawa. However, it is inconceivable that Ozawa would resign his post to turn it over to Okada, who has a stiff and fundamentalist nature. If it were Hatoyama, who has a free and resourceful way of thinking, there should be no question in Ozawa's mind of entrusting him while Ozawa stayed in the election background. For the LDP, having Ozawa in the background making election decisions would be dangerous."

(2) Taepodong and Japan (Part 1): Pride and conflict of special-interest cliques in the Diet

NIKKEI (Page 2) (Full)
April 9, 2009

"Why in the world did things turn out like this?" Defense Minister Yasukazu Hamada, 53, rebuked senior ministry officials on April 4 immediately after the Self-Defense Forces (SDF) released false information that North Korea had launched a missile. He, however, told his subordinates, who were putting themselves on their guard: "Since I will take responsibility for the blunder, I want you to fulfill your duties as usual."

Hamada is now serving in his fifth-term in the House of

Representatives. He has built his career in the low-key national defense field by serving in such posts as parliamentary secretary for defense and senior vice minister for defense. Probably because of his pride as a member of the national defense policy clique in the Diet, he held on the afternoon of April 4 a press conference to express his apologies, giving no indication of his anger. A senior ministry official commented on the meeting with Hamada: "If the minister had yelled at us at that time ..."

A lawmaker, who has close ties to Hamada, said: "His father was a good example of what not to do." His father, Koichi Hamada, was dubbed a rough neck in the political world. As a secretary to his father, Hamada watched for a long time his father who was unable to assume any prominent posts due to his extreme words and actions, which often caused controversy.

After graduating from college, Hamada was put under the charge of LDP bigwig Michio Watanabe and worked in the politician's office. At

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that time, Watanabe let him work at his office under the fake name of Hirano. A person who knows about it said: "The name, Hamada, left a strong impression."

All of Hamada's friends say that he is a gentle and polite person, stressing the differences between father and son. When he assumed the portfolio of defense minister in the Aso cabinet last September, he did not inform his father about his assumption of the post. It is said that Hamada has nothing to do with his father.

Hamada has told persons close to him: "I don't like political grandstanding." The Defense Ministry places its hopes on Hamada, one senior official saying: "He has a feeling of security." He has acquired acclaim by drawing a line with his father. Probably giving consideration to his son, the father Koichi has quit making appearances on television programs after his son became defense minister.

In contrast to his reputation in the ministry, however, there is lingering criticism of Hamada that he favors uniformed officers or personnel. He asserted behind closed doors that the order to use the missile defense system should be decided by the cabinet. He, however, took a cautious stance toward the maritime policing action in waters off Somalia.

North Korea's threat still remains. There are many pending issues such as the passage of an anti-piracy bill and the realignment of U.S. Forces Japan. Hamada says that he has chosen national defense as his lifework, but that he is all thumbs. His true worth in making a decision that is beyond the framework of bureaucracy has yet to be tested.

(3) Wavering alliance: North Korea's missile launch (Part 1) --
Public understand deepening of MD system

YOMIURI (Page 1) (Full)
April 8, 2009

The Maritime Self-Defense Force (MSDF) faithfully carried out its mission of detecting and trailing the ballistic missile fired by North Korea. In a press conference yesterday, MSDF Chief of Staff Keiji Akahoshi praised his troops, remarking: "They performed their mission properly." However, when asked about the decision to disclose the details of units' missions this time, Akahoshi replied with a complex expression: "Although troop operations are not usually disclosed, the government decided to make an announcement."

With the announcement of the deployment of land-based Patriot Advanced Capability-3 (PAC-3) missile units, there was fear that "radio communications might be intercepted," a senior Self-Defense Force (SDF) official said. The U.S. forces also expressed their misgivings about the possibility. In actuality, spy satellites from neighboring countries frequently fly over Japan.

The government first issued a missile destruction order. In issuing such an order, there are two procedures: (1) If there is fear that a

launched projectile might fall in Japan, an order is issued, based on a cabinet decision, but the contents of the order are not disclosed; and (2) In order to provide against a possible emergency, (the defense minister) may issue an order beforehand without announcing it, and without a cabinet decision being required. The Defense Ministry initially argued that a cabinet decision would be

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necessary even if the contents of the order were not disclosed. The Prime Minister's Office (the Kantei), however, insisted that an order should be issued in accordance with the procedure for coping with an emergency, but that the details of the order should be made public. The Kantei's aim was to give a boost to the administration by demonstrating its eagerness to remove the imminent "threat."

But a government source said: "The government sidestepped the measures in the national citizen protection law required to take in coping with any 'threats'." Prefectural governments work out their respective national protection plans under the said law, but such plans are "no more than desktop plans, but since there is no satisfactory training, nobody can predict how such plans will work," noted a former governor. The government source made the above remark, apparently having this factor in mind. Defense Minister Hamada announced this view in the end: Since North Korea continues to claim it is planning to launch only satellites, it is hard to designate the launch as a 'threat'." This decision resulted in checking whether the central and local governments would be able to work in cooperation, contrary to the Kantei's intention.

The Fire and Disaster Management Agency unprecedentedly did not designate the emergency office as the responsible office to deal with the North's expected missile launch. Instead, it named the national protection office and other offices. A senior official said: "Even in the event that the nation shoots down an incoming projectile, the Zenkoku Shunji Keiho System (J alert - a nationwide warning system) will not be employed this time." Kuzumaki-machi, Iwate Prefecture, assigned more duty persons than usual, and they engaged in communications with the government through the emergency information network Mnet system. Internal Affairs Ministry's planning section chief Hisao Murakami said: "We were able to take quick action."

But problems have also been exposed through this experience. Under the J alert system, different siren sounds and messages are sent off according to different types of emergencies. But many people do not know this mechanism. There were also false alarms this time. In a meeting of the Liberal Democratic Party on April 6, a government official stressed the need to shift the weight of drills from such natural disasters as earthquakes to missile threat.

Another side-effect of the North's missile launch is that an increasing number of people have begun to have interest in the nation's missile defense (MD) system.

When PAC-3 missile units were moved to SDF bases in the Tohoku District for the first time about two years ago, a movement against the deployment was staged. But there was no protest movement carried out this time. It has already been known that the PAC-3 missile has a maximum range of only about 20 kilometers and that a PAC-3 unit and an Aegis destroyer-based Standard Missile 3 (SM-3) unit are priced at about 1,000 million yen and 500 million yen respectively. But a senior SDF official commented: "It has been proved that the PAC-3 and the SM-3 can provide advanced detecting and trailing capabilities. It is now possible to obtain public understanding of the MD system."

(4) Wavering alliance: North Korea's missile launch (Part 2 - conclusion): Security environment in East Asia might undergo change

YOMIURI (Page 1) (Full)

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April 9, 2009

Speaking before reporters at the UN Headquarters on the morning of April 7, Ambassador to the United Nations Yukio Takasu stressed: "Based on each country's position, we would like to make efforts to reach the most acceptable conclusion." A meeting was held (on April 5) involving Japan, the U.S., Britain, France, China, and Russia over how the UN Security Council should respond to North Korea's launching of a missile. Takasu expressed his hopes to see progress made in talks by the six countries.

However, a meeting of the ambassadors to the UN from those countries scheduled for the afternoon of April 7 was suddenly cancelled, probably at China's request. The cancellation exposed a wide gap between Japan and the U.S. on the one side, which insist on the need for a binding resolution, and China and Russia on the other side, which are reluctant about taking tough action. Japan also cannot afford to be optimistic about a response by the U.S.

U.S. Special Representative for North Korea Policy Stephen Bosworth said in a press conference on April 3, two days before the North launched its rocket: "What we expect to work effectively to make the North give up its planned rocket launch is not just pressure but a combination of rewards and pressure." The U.S. daily Washington Post in an editorial \on April 7 called the Obama administration's North Korea policy "inconsistent." Although the administration has indicated a tough stance toward that nation, a conciliatory attitude also can be detected. The U.S. wants to give priority to the nuclear issue over the missile issue.

Scott Snyder of the Asia Foundation said: "What we fear the most is to have nuclear weapons flowing out of that nation and proliferated across the world on the occasion of a change of government in the North." Keeping in mind North Korean leader Kim Jong Il's health problem, the U.S. is eager to resolve the nuclear issue at an early date.

Foreign Minister Nakasone emphasized in a speech at the Foreign Correspondent's Club of Japan in Yurakucho yesterday: "Japan will continue to make efforts to normalize relations with North Korea through comprehensively resolving outstanding issues of concern with North Korea, including the abduction, nuclear and missile issues, and settling the unfortunate past." In the six-party talks on North Korea's denuclearization, however, the abduction issue has been regarded as a bilateral issue pending between Japan and North Korea. According to a source familiar with Japan-U.S. relations, the abduction issue comes after the nuclear and missile issues. Japan needs to chart a diplomatic strategy based on this fact.

North Korea's missile launch might bring about a change in the security environment of East Asia. In an executive meeting on the 7th, Senior Liberal Democratic Party member Goji Sakamoto made a remark that could be interpreted as suggesting that Japan should go nuclear. North Korea's missile launch has certainly prompted some persons to make radical remarks. The South Korean government announced on the 6th that it would review an agreement with the U.S. under which the ROK is constrained from exceeding 300 km in its missile range.

In March, a senior Japanese Foreign Ministry official dined with the chief of mission at the Chinese Embassy in Tokyo. The Chinese official said: "Japan should deal with the matter in a cool-headed

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manner." But the Japanese official refuted: "I wonder what China would say if North Korea fired a missile in your direction." The Chinese official reportedly became silent

China has concern that an overreaction by Japan and South Korea to North Korea's act might speed up the military buildup in the region. That is why China has asked these countries to refrain from taking harsh measures. The North's missile launch has also affected the military balance in the region.

(5) Politics must take risks to maintain the alliance

Akio Takataha, editorial writer

The Japan-U.S. alliance under the current bilateral security treaty marks its 50th anniversary next year, which is a golden wedding anniversary in human terms. But as if to dampen the festive mood, the North Korea launched a missile.

The missile and its debris did not fall into Japanese territory. It did not reach the United States, either. As such, neither the United States nor Japan had to intercept the missile with the missile defense (MD) system, which was not bad. Working-level coordination in tracking the missile's trajectory with radar also seems to have gone well.

At the same time, we fear that time might go by without Japan and the United States verifying whether they fulfilled their respective political, military, and psychological responsibilities 100 PERCENT as allies.

People are relieved for how. Nevertheless, North Korea is not the only country that is bent on building up a missile arsenal in Japan's vicinity. People must be wondering: "What kind of missile is going to fly over Japan next?" and "Is the next one going to allow Japan to again avoid using its missile shield?" The threat has certainly not gone away.

Such a sense did not exist several years ago. The predecessor of the current security treaty was inked in 1951, the same year as the San Francisco Peace Treaty. Counting from that year, 2001 marked the 50th anniversary of the security treaty. Celebrations took place in San Francisco and elsewhere.

Several days later, on September 11, 2001, U.S. nerve centers were attacked by terrorists. Then-Prime Minister Junichiro Koizumi sent Washington a strong message vowing to work closely with the United States. This was followed by the enactment of two special measures laws on Afghanistan and Iraq and the Self-Defense Forces' dispatches for overseas missions.

Against all odds, including public opinion and stiff resistance from opposition parties, the government managed to "show the flag" and to send "boots on the ground." This can said to have ensured a sense of trust between Japan and the United States as allies.

It has only been seven and a half years since 9/11, so where does this apprehension come from?

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If a Japanese asks, "Is America really going to protect Japan?" an American might ask back, "Is Japan going to take action suitable for our protection?" If we continue turning our backs on the fundamental question, trust might turn into distrust.

Despite its long history, Japanese leaders did not use the word "alliance" until 1979 -- exactly 30 years ago. Then Prime Minister Masayoshi Ohira used it for the first time as the Japanese leader during a welcome ceremony in the United States.

It may seem unbelievable to young people, but the word "alliance" for a long time was a taboo word in Japanese politics. There was an atmosphere that prohibited calling an alliance an alliance. Two years later, the prime minister at the time said, "An alliance does not have a military aspect," and the foreign minister resigned in protest.

As seen from this, there are more questions and problems in Japan than in the United States regarding the bilateral alliance. That is why the question of Japan's right to collective self-defense has not been resolved and the realignment of U.S. forces in Japan is behind schedule.

Needless to say, in order to maintain an alliance, political leaders must take risks. An alliance does not stand without political leaders' determination to risk their political lives, as troops on

the ground risk their lives for an ally.

The catchphrase describing the significance of the Japan-US alliance used in a bilateral summit shifted from "the Japan-U.S. alliance in a global context" in 2003 to "the Japan-U.S. alliance of the new century" in 2006 to "the unwavering alliance" in 2007. Without politics taking risks to underpin the catchphrase, the alliance might end up as merely rhetoric.

(6) Total debt of bankrupt companies tops 14 trillion yen: 2.4-fold increase over the previous year or fifth largest in postwar period; 16,146 companies go under in fiscal 2008; Worst-ever: 45 listed companies go out of business

SANKEI (Page 2) (Full)
April 9, 2009

According to the fiscal 2008 statistics on corporate bankruptcies (debt of 10 million yen or more) released on April 8 by Tokyo Shoko Research, the aggregate indebtedness of companies that went bankrupt reached 14.189 trillion yen, the fifth largest amount in the post-war period and 2.4 times larger than the previous year's level. The number of bankruptcies has increased for three consecutive years, reaching 16,146 cases, a jump of 12.39 times over the previous year's level. The figure topped the 16,000 level for the first time in six years since 2002. The number of bankruptcies of listed companies came to 45, the worst ever in the postwar period, highlighting the serious impact of the economic crisis.

Many companies have so far survived owing to financial assistance that the government and the Bank of Japan (BOJ) extended to help them manage their cash flows. However, there is concern that if the recession becomes protracted, those companies, too, might find themselves in serious financial trouble and the number of bankruptcies would leap even further.

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The increase in the aggregate amount of indebtedness is mainly ascribable to the collapse of Lehman Brothers Securities (with debts totaling 3.4314 trillion yen), Japan corporation of a major U.S. securities house. Major bankruptcies involving debts worth more than 10 billion yen, such as the bankruptcy of Urban Corporation (with debts totaling 255.8 billion yen), reached 134, double the previous year's level.

The number of all-industry bankruptcies exceeded the previous year's level. The collapses of realtors and construction-related companies were pronounced in the first half of the year due to the impact of a downturn in the market following the financial crisis. The trend spilled over into the manufacturing sector, such as automakers, which were directly hit by export decline.

Looking at bankruptcies according to causes, sluggish sales accounted for the largest portion with 10,603, up 14.1 PERCENT. A lack of operating funds and the ripple effect of the bankruptcies of other companies significantly increased.

The number of employees in those failed companies totaled 172,076, topping the 150,000 level for the first time in five years. Tokyo Shoko Research is concerned that the deteriorated employment situation will adversely affect personal consumption and regional economies.

The number of bankruptcies in March 2009 alone, released concurrently, marked 1,537, up 14.1 PERCENT over the same month last year. The figure topped the 1,500 level for the first time in six years -- a record for March, making it clear that many companies went down, failing to manage their cash flows.

The implementation of emergency countermeasures designed to guarantee loans to small- and medium-size businesses by the government and the BOJ since last fall has begun producing effects of reducing bankruptcies mainly in local regions, according to Tokyo Shoko Research. However, the reality is that unless demand picks up, fundamental improvement of business performances cannot be hoped

for.

According to Tokyo Shoko Research, audit corporations and banks are expected to assume a harsh stance in the run-up to the release of the March settlement of accounts, bringing about a specific phenomenon, such as increased bankruptcies. The research company is increasingly alarmed about an occurrence of March crisis as a result of an increase in bankruptcies.

(7) Shimamura tells Sankei that he did not attack Asahi bureaus

SANKEI (Page 1) (Full)
April 9, 2009

The Sankei Shimbun was able to interview Masanori Shimamura, 65, who previously had confessed in his notes, carried by the weekly magazine Shukan Shincho (published by Shinchosha Publishing Co.) that he had carried out four attacks on the major daily Asahi Shimbun., including one on the Hanshin bureau in Nishinomiya, Hyogo Prefecture (in which a reporter was shot to death and another seriously wounded). In the interview, Shimamura denied what the weekly magazine had reported as the contents of his notes, saying: "I did not carry out the attacks. The articles contained many elements that are untrue, and they annoyed me." With Shimamura's denial of the

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attacks, the foundation for the series of articles has collapsed. Shukan Shincho has announced that in its issue that will go on sale on April 16, it will explain the sequence of events that led to the publication of Shimamura's notes. Nevertheless, it is inevitable that the magazine will be pressed for a detailed explanation on how it gathered the materials for the series and on the process leading up to the publication of Shimamura's notes.

In a series of four articles from its February 5 issue, Shukan Shincho ran personal notes written by Shimamura, who claimed to have attacked the Asahi newspaper's bureaus. The series was titled, "I Attacked the Asahi Shimbun Hanshin Bureau."

According to the articles, Shimamura admitted that: 1) he had carried out four incidents, including the attack on the Hanshin bureau, 2) he blamed himself for the suicide of his accomplice, 3) he carried out the attacks at the request of a male employee of the U.S. Embassy in Japan, and 4) he carried them out for money.

In the interview with the Sankei, Shimamura explained the four points: "I made my subordinate (who is now deceased) carry out all the attacks under the instruction of a U.S. Embassy employee. I myself did not carry them out. I was in Hokkaido when the Hanshin bureau incident occurred." The articles carried detailed descriptions of the crime scene. But Shimamura said to the Sankei: "How could I know in detail about an attack I did not carry out?"

Further, the articles claimed that Shimamura: (1) asked the late right-wing activist Shusuke Nomura to make statements claiming responsibility, (2) was the leader of a rightist group in Tokyo's Ikebukuro district, (3) used a bomb made from grenades in the attempted bombing of the Shizuoka bureau, and (4) received Buddhist prayer beads from the late (right-wing war criminal) Yoshio Kodama, the fixer, as a remembrance. In the Sankei interview, Shimamura denied all those details, saying, "There is no truth to any of them."

Shimamura also said: "I can't remember everything exactly of what I said to Shincho. Swept up by the story of the person in charge, I told many (lies)." How the Shincho side gathered news materials to support the articles could be a point at issue.

The Asahi ran two articles examining the contents of the weekly magazine, and concluded that the reports were untrue. Police authorities are also skeptical about Shimamura's involvement in the attacks.

In response to an inquiry by the Sankei, Shukan Shincho commented: "What Mr. Shimamura said can be verified by the tapes containing interviews with him. We did not make up a fictitious story. It is

not true that we had forced (Mr. Shimamura) to make statements in line with that story." There was no reply to a question asking how it collected news materials to support its articles.

(Corrected copy) Blanket export ban to be put on hold: Government eyes toughening sanctions, including lowering limit on bank remittances

TOKYO SHIMBUN (Page 1) (Full)
April 9, 2009

The government on April 8 in setting additional sanctions against

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North Korea, following its firing of a ballistic missile, decided to toughen regulations on the amounts of cash travelers to the DPRK could carry and place limits on bank remittances. It will shelve for the time being the imposition of a blanket ban on exports, which had been requested by the Liberal Democratic Party (LDP)

The proposed sanctions will be adopted today by the ruling camp's task force on North Korea missile countermeasures. On the 10th, the cabinet will approve the proposals and extend economic sanctions for an additional year instead of for six months, as has been the case in the past.

Specifically, the limit on bank remittances requiring notification (to the government) will be lowered from 300 million yen or more to 100 million yen or more. The value of currency that travelers (to the DPRK) must declare will also be lowered from 1 million yen or more to 300,000 yen or more. The figures are based on the proposal for additional sanctions of the LDP's Special Commission to Deal with the Abduction Issue.

The special commission also proposed a blanket export ban. However, since Japan's exports to North Korea have already sharply declined to approximately 800 million yen, as a result of current sanctions, the government has determined that a blanket ban would produce little results.

ZUMWALT